GOVERNING COUNCIL
Thirty-fifth session
6 June-1 July 1988, Geneva
Agenda item 8 (f)

OTHER FUNDS AND PROGRAMMES

Strengthening of the capacity of the United Nations Development Programme to promote and support technical co-operation among developing countries, including its financing

COMMENTS BY THE UNITED NATIONS DEVELOPMENT SYSTEM ON THE IMPLEMENTATION OF THE JOINT INSPECTION UNIT REPORT ON TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES

Report by the Administrator

SUMMARY

The present report has been prepared in response to paragraph 8 of decision 5/5 of the High-level Committee on the Review of Technical Co-operation among Developing Countries in which the Administrator was requested to provide to the Governing Council at its thirty-fifth session the views of the United Nations development system on the report of the Joint Inspection Unit (JIU) and the comments of the Administrative Committee on Co-ordination (ACC) on that report.

The report presents a synthesis of the comments of the United Nations development system on the recommendations of the JIU report and on the ACC comments on that report. It highlights the progress made, and the difficulties being encountered, by the organizations in implementing the JIU recommendations.

The Council's attention is drawn to the concluding note in paragraph 27 which states that a more comprehensive report on the subject will be presented to the High-level Committee at its sixth session and to the Governing Council at its thirty-sixth session.
I. INTRODUCTION

1. At its fifth session, the High-level Committee on the Review of Technical Co-operation among Developing Countries had before it the report of the Joint Inspection Unit (JIU) on United Nations development system support to the implementation of the Buenos Aires Plan of Action on technical co-operation among developing countries, 1/ together with the comments on that report by the Administrative Committee on Co-ordination (ACC). 2/ In paragraph 8 of its decision 5/5, the High-level Committee took note of the documents and requested the Administrator to report to the thirty-fifth session of the Governing Council the views of the United Nations development system on the documents and the recommendations and comments contained in them.

2. Two other reports submitted by the Administrator to the thirty-fifth session contain information relevant to this question. One report deals with the strengthening of the capacity of UNDP itself to promote and support technical co-operation among developing countries (TCDC) including its financing. 3/ The other report deals with the inter-agency procurement services and increased procurement from developing countries 4/ and responds also to paragraphs 9 and 11 of decision 5/5 of the High-level Committee.

3. For the present report, the Administrator invited the views of all of the organizations of the United Nations development system on the JIU report and the ACC commentary thereon, including information on the implementation of the specific recommendations. The views and information received, combined with those of UNDP, are set out in the following synthesis.

II. GENERAL

4. The organizations have generally reaffirmed the view – which they had expressed through the ACC commentary – that the JIU report was a timely and thought-provoking contribution to the evolution of the part to be played by the United Nations development system in fostering and utilizing TCDC. There is general agreement that the report provided further evidence that, while TCDC is mainly the responsibility of developing countries themselves, the United Nations development system could and should do more to assist these countries in their endeavours.

5. As had been expected, the report has led several of the organizations in the subsequent three years to review their institutional arrangements and programming and other procedures to see whether they were adequately equipped to play their part. Such reviews do not yet appear to have revealed a need for any fundamental changes or innovations. Efforts have been concentrated particularly on generating an improved and uniform understanding at all levels of the concept and application of TCDC as a modality of technical co-operation, strengthening internal focal points, and assisting Governments to make use of TCDC in programming and project formulation.
6. Most of the organizations have noted a slow but steady growth in the use of the TCDC modality, whether in projects or activities in which they have played a promotional or supplementary operational role or both, or in those which have been organized and arranged entirely by the Governments or other institutions of the developing countries concerned. Some of the organizations have reiterated the point that in their view the JIU report understated the actual extent of United Nations development system support for TCDC adding that such support has increased substantially over the years. At the same time, emphasis is placed not only on the need for a further increase in the United Nations development system participation in TCDC but also on the need to ensure that the primary responsibility and commitment of the developing countries concerned are maintained.

III. IMPLEMENTATION OF THE RECOMMENDATIONS OF THE JOINT INSPECTION UNIT

7. For ease of reference, each of the specific recommendations of JIU is set out in summary form below, followed by a synthesis of the information available concerning its implementation.

Recommendation 1 (a)

Organizations should consider the Buenos Aires Plan of Action as a binding legislative framework for their TCDC activities; any specific legislation on TCDC should indicate concrete tasks and authorize allocation of the resources required.

8. As the JIU report noted, virtually all the governing bodies of the United Nations development system have endorsed the Buenos Aires Plan of Action. While establishing it as a binding legislative framework is a matter for those bodies to determine, the organizations supplying information for the present report generally describe the Buenos Aires Plan of Action as the framework for their action in support of TCDC or as an essential part of their mandate.

9. In the larger organizations which have regular programmes of technical co-operation, legislation in the form of resolutions or decisions on programmes usually identifies the TCDC activities involved and authorizes the allocation of the resources as required.

Recommendation 1 (b) and (c)

Governing bodies should establish separate mandates for economic co-operation among developing countries (ECDC) and TCDC; reporting and accountability should be identified separately; TCDC should be considered as a separate agenda item regularly, at least every two years.

10. The information available suggests that organizations maintain different approaches to the idea - endorsed also by ACC - that ECDC and TCDC should be dealt
with separately. Some of them have taken action in that direction. Those not doing so have pointed out that their specific activities in the area of ECDC and TCDC are so closely interlinked that separation is neither practical nor feasible.

11. In all the organizations providing information, including those where TCDC is linked with ECDC in legislative action, reporting and accounting for TCDC are regularly carried out in a clearly identifiable and separate manner.

12. Some organizations place a separate item, or more usually a sub-item, on TCDC activities on the agenda of the annual or other regular sessions of their governing bodies. This does not, however, preclude consideration of TCDC as an integral part of their total technical co-operation activities. Some organizations express concern about any tendency to pursue TCDC as an end in itself rather than as a technical co-operation modality to be given its due consideration among all the techniques available.

Recommendation 2

A TCDC project should involve (a) an agreement, reflected in project documents, between the developing country Governments concerned; (b) government execution, with the role of the United Nations development system limited to the identification of TCDC solutions, bringing parties together and technical support to project elements not available from TCDC; (c) financial support by the United Nations development system limited to foreign exchange component(s).

13. Except mainly for a desire on the part of a number of organizations for greater flexibility in the United Nations development system's financing of local costs in particular, the organizations are virtually unanimous in agreeing that the elements set out in the JIU report should constitute the main characteristics and definition of a TCDC project. They report that they are acting accordingly. In their view, the characteristics described place in their correct light the respective roles of the Governments concerned and of the United Nations development system - the former as the party having primary responsibility for the initiation, organization and management of the TCDC project and the latter as playing a catalytic and supplementary role.

14. The organizations favouring and in some cases using their own resources to adopt a more flexible approach to the United Nations development system's financial support for TCDC projects are mainly concerned with specific problems that have arisen in least developed countries in particular. Support is normally limited to such items as the international travel costs of experts and trainees and the cost of international freight for equipment. Some organizations report that Governments often expect them to play a larger financial role, and when this seems justified on a case-by-case basis they have used regular programme resources to finance some part of the local costs of the TCDC activities concerned.
Recommendation 3

(a) The Administrator should review the staffing level of UNDP's Special Unit for TCDC in the light of its current and prospective responsibilities;

(b) Other organizations should establish or strengthen authoritative TCDC focal points on a full-time (or part-time in the case of smaller organizations).

15. In the context of his separate report 3/ on strengthening the capacity of UNDP, the Administrator sets out the functions assigned to the Special Unit, the obstacles encountered in fully carrying out those functions and the steps to be taken to improve the situation as additional resources become available. It should be added that, in order to ensure that the concept and use of the TCDC modality constitute an integral part of the whole UNDP programming and project development and executive process, TCDC focal points have been established for many years in all the relevant bureaux of UNDP, at the level of deputy director.

16. In most other organizations, focal points for TCDC have been established over the years and strengthened mainly by the accrual of experience. Very few of them report a need for new internal arrangements, although some feel handicapped by budgetary constraints. In the large organizations the officers in charge of departments, divisions, sections or regional offices dealing with technical co-operation, or other senior officials of these units, act as the focal points. Responsibility in regard to TCDC is one among their other responsibilities, consistent with the general approach of the organizations that TCDC should be an integral part of their total action in technical co-operation.

17. UNDP has organized working meetings between its own focal points and those of the other organizations and maintains contact with them in order to ensure harmony of action in the promotion and support of TCDC activities assisted from UNDP resources.

Recommendation 4 (a)

In country programming, UNDP should examine with Governments the desirability of identifying development sectors, subsectors, projects and components suitable for TCDC or some other innovative modality; in project formulation, commitment of UNDP resources should be approved only after the Administrator is satisfied that TCDC or another less costly modality has been explored; in the review of ongoing projects a fresh scrutiny of TCDC possibilities should be made.

18. The Administrator accepts these and the following recommendations on UNDP regional, interregional and global programming as clear statements of the objectives to be sought. They are largely reflected in the policies and procedures that UNDP has developed over the years and has recently reissued in revised and improved form. It has taken time, however, for the understanding and knowledge to be disseminated and the experience acquired by UNDP, organizations and Governments that are essential to the fullest possible utilization of TCDC resources in UNDP programming /...
and project development and implementation. Still more intensive efforts are required. The problems encountered and the Administrator's proposals for alleviating them are set out in his report on strengthening the capacity of UNDP. 

**Recommendation 4 (b)**

In regional programming, detailed examination of TCDC opportunities should be undertaken in preparation for and during the regional programming meetings, in which the Special Unit for TCDC should participate. The Administrator should be satisfied that this has been done before projects are approved. A United Nations development system support to subregional and regional institutions should aim at their transformation into effective instruments of TCDC.

19. As indicated above, the Administrator fully supports the recommendations of the JIU report on the regional programming process. Here again, the recommendations largely reflect the existing approach, and efforts will continue to be made to apply this approach to the fullest possible extent, including a more effective role for the Special Unit for TCDC. Regional programming, almost by definition, promotes the use of TCDC. The regional bureaux, which play the key role for UNDP in regional programming, have increasingly and with increasing success sought with Governments the fullest possible utilization of the TCDC resources of intergovernmental and non-governmental organizations and institutions of a regional and subregional character. In many cases these organizations have participated actively at all stages of project identification, formulation, implementation, monitoring and evaluation. Emphasis is also placed on the development of training and other collaborative arrangements between regional and subregional institutions and corresponding national entities in the participating countries. The need, as in country programming, is not for a change of direction, but for an intensification of the efforts that have already proved fruitful.

20. As regards the recommended transformation of the United Nations development system-supported institutions into effective instruments of TCDC, many of them are already carrying out this function in varying degree by such means as the provision of experts, consultants and training facilities. These services are being developed, often with the catalytic support of the United Nations development system, not only within regions but between different regions. In many cases, however, the ability of regional institutions to provide TCDC resources on a large scale remains dependent on the readiness of the participating Governments, and especially their financial ability, to take over the full management and staffing of the institutions.

**Recommendation 4 (c)**

UNDP should continue the interregional project INT/84/904 (Promotion of action-oriented TCDC activities) and develop a project for the training of government TCDC operational staff similar to the existing associate expert scheme; both of these projects should be financed from interregional and global indicative planning figures (IPFs) and managed by the Special Unit for TCDC.
21. The existing project has been continued into the fourth UNDP programming cycle with the allocation of funds from Special Programme Resources. The project is supervised by the Special Unit. The Administrator recognizes the need in several countries for assistance in the training of government staff concerned with TCDC activities; and a programme proposal is being prepared. The question of allocation of additional resources for these activities is being dealt with separately.

**Recommendation 5 (a)**

All organizations apart from UNDP should earmark no less than 10 per cent of their technical co-operation resources for TCDC, establish TCDC trust funds when appropriate and make support to TCDC a separate subprogramme in their technical co-operation budgets.

22. The organizations with regular programmes of technical co-operation do not feel that there is a need for the earmarking of fixed percentages of their resources to TCDC. While a few of them do identify in their programme budgets specific amounts of resources to be devoted to promoting TCDC (and in one case ECDC/TCDC), the general attitude is one of caution against any arrangements that would be counterproductive to the need, stressed repeatedly in the JIU report, to integrate TCDC concepts with all activities of the United Nations system. Some organizations estimate that their TCDC-related activities already amount to about 10 per cent of their technical co-operation activities and that this proportion can be expected to grow.

**Recommendation 5 (b)**

The Governing Council should eliminate the 10 per cent limit on the use of country IPFs for TCDC and relax existing policies on the reimbursement of national expenditure.

23. The Administrator notes that these recommendations are addressed directly to the Governing Council. It may be recalled that the so-called 10 per cent limit applied only, and as an experiment, to the IPF of a country wishing to provide TCDC for the benefit of one or more other countries. No such limit applies to the use of a country's IPF for its own benefit.

24. The Administrator has recommended elsewhere 5/ that the existing provisions for the use of country IPFs for TCDC projects and activities within the country programmes should continue in effect. These provisions include the arrangements covering local costs.

**Recommendation 5 (c)**

The developing countries should consider earmarking a reasonable percentage of the regional IPFs for the financing of TCDC projects.
25. The Administrator notes that this recommendation is addressed to the Governments of the developing countries. He is proposing elsewhere 6/ that, as far as UNDP is concerned, renewed efforts should be made to increase the use of TCDC modalities in the regional programmes.

Recommendation 5 (d)

The Governing Council should consider allocating a sizeable percentage of interregional and global IPFs for TCDC projects.

26. The Administrator notes that this recommendation is addressed to the Governing Council. He is proposing elsewhere 7/ that renewed efforts should be made to increase the use of TCDC modalities in interregional and global projects. These efforts would include further attempts to identify developing country institutions with the capacity and competitive ability to execute projects or components of projects.

IV. CONCLUDING NOTE

27. Further information on the implementation of these recommendations will be obtained in preparation for the sixth session of the High-level Committee in 1989. In its decision 5/9 the Committee urged all organizations, organs and bodies of the United Nations system to provide such information in order to enable it to have an overall picture of the effectiveness of the catalytic and promotional role of the system in support of TCDC, and requested the Administrator to report to the Committee on the status of implementation of the recommendations. The report of the Administrator will be presented to the Governing Council at its thirty-sixth session together with the decisions of the High-level Committee.

Notes

1/ A/40/656-JIU/REP/85/3.
2/ A/40/656/Add.1.
6/ Ibid.
7/ Ibid.